

## Message Text

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15

ACTION EB-07

INFO OCT-01 EA-10 IO-10 ISO-00 EUR-12 FEA-01 AGR-10 CEA-01

CIAE-00 COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-02 AID-05 CIEP-02 SS-15

STR-04 TAR-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01

/127 W

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R 300222Z MAY 75

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 0467

INFO US MISSION GENEVA 1609

AMEMBASSYOTTAWA

UNCLAS TOKYO 7095

GENEVA FOR USDEL MIN DEPT: PASS STR

E.O. 11652: N/A

TAGS: ETRD, GATT, EPAP, CA, US, JA

SUBJECT: DRAFT GATT STANDARDS CODE: N. AMERICAN 2 X 4 LUMBER  
EXPORTS TO JAPAN

REF: GENEVA 3647

SUMMARY: EMBASSY BELIEVES BARRIERS TO EXPORTS OF  
N. AMERICAN 2 X 4 LUMBER TO JAPAN, WHICH HAVE  
ARISEN AS A RESULT OF GOJ TECHNICAL STANDARDS,  
MAY FIND A SOLUTION THROUGH NEW GATT STANDARDS CODE  
AND SUGGEST REVIEW OF DRAFT PROVISIONS  
ON LABELLING, GRADING, AND QUALITY ASSURANCE SYSTEMS  
IN RELATION TO THIS SPECIFIC TRADE PROBLEM.  
END SUMMARY

1. EMBASSY UNFAMILIAR WITH DETAILS OF DRAFT  
GATT STANDARDS CODE DESCRIBED REFTEL, BUT  
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BELIEVES DEPARTMENT MAY WISH TO CONSIDER WHETHER  
PRESENT OR AMENDED VERSION OF PORTIONS DEALING  
WITH GRADING, LABELLING, AND QUALITY ASSURANCE  
SYSTEMS MIGHT OFFER FRAMEWORK FOR SOLUTION TO

FOLLOWING PROBLEM WHICH HAS COME TO POST'S ATTENTION.

2. IN 1974 GOJ ADOPTED AN AMERICAN TYPE PLATFORM FRAME BUILDING CODE AND GRADING STANDARDS FOR AMERICAN DIMENSION (2 X 4) LUMBER WHICH SUBSTANTIALLY DUPLICATE THOSE OF THE U.S. AND CANADA. THE NEW STANDARDS FOR THE FIRST TIME ENABLE LUMBER CUT TO THE SPECIFICATIONS OF THE NORTH AMERICAN MARKET TO BE EXPORTED TO JAPAN. THE NEW STANDARDS, HOWEVER, HAVE PRODUCED THREE NTB'S WHICH MAY HAVE SIGNIFICANT RESTRICTIVE EFFECT ON US-CANADIAN 2 X 4 LUMBER EXPORTS TO JAPAN:

A) A FEW PROVISIONS OF THE JAPANESE GRADING RULES FOR KNOT SIZE AND WANE ARE MORE RESTRICTIVE THAN THE AMERICAN LUMBER STANDARD DEVELOPED BY U.S. DEPT. OF COMMERCE AND WILL REQUIRE N. AMERICAN LUMBER MANUFACTURERS TO MAKE SPECIAL GRADE SEGREGATIONS, AT SOME EXTRA COST, FOR SHIPMENTS TO JAPAN.

B) THE NEW GOJ STANDARDS REQUIRE APPLICATION OF A JAPANESE LANGUAGE LABEL TO EACH PIECE OF LUMBER ALTHOUGH ALL INFORMATION REQUIRED ON IT (EXCEPT WIDTH, THICKNESS, AND LENGTH -- ALL STANDARD AND EASILY RECOGNIZABLE) IS ALREADY INCLUDED IN THE U.S. AND CANADIAN DOMESTIC GRADE STAMPS WHICH ARE AUTOMATICALLY APPLIED AT MOST NORTH AMERICAN SAWMILLS.

C) GOJ REQUIRES INSPECTION IN JAPAN OF ALL IMPORTED 2 X 4 LUMBER DESTINED FOR USE IN NORTH AMERICAN-TYPE PLATFORM FRAME CONSTRUCTION AND HAS APPOINTED TWO JAPANESE LUMBER TRADE ASSOCIATIONS TO INSPECT AND LABEL 2 X 4 LUMBER AT A COST WHICH MAY PROVE TO BE HALF AGAIN THE DOMESTIC SELLING PRICE. (N.B. NONE OF THESE GRADING, LABELLING, AND INSPECTION REQUIREMENTS APPLY TO IMPORTED LUMBER CUT IN METRIC SIZES FOR USE IN THE TRADITIONAL JAPANESE BUILDING METHOD.)

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3. WESTERNWOOD PRODUCTS ASSN. (WWPA), PORTLAND, ORE., U.S. LUMBER TRADE ASSN. WHICH RAISED THIS ISSUE WITH THE EMBASSY, BELIEVES IMPORTANT SAVINGS COULD BE MADE BY ELIMINATING THE MINOR DISCREPANCIES IN THE GRADING RULES, DIVISING A COMMONLY ACCEPTABLE GRADE STAMP, AND ARRANGING FOR INSPECTION OF LUMBER PRIOR TO EXPORT TO JAPAN. IN MARCH 1975 MR. H.A. ROBERTS, EXECUTIVE VICE-PRESIDENT OF WWPA, SUBMITTED A STATEMENT TO THE USG ON THIS PROBLEM IN CONNECTION WITH INVESTIGATION NO. TA 131 (B)-1 UNDER SECTION 131 OF THE TRADE ACT OF 1974 (THE PRESIDENT'S LIST OF ARTICLES WHICH MAY BE AFFECTED BY INTERNATIONAL TRADE NEGOTIATIONS). COPIES

AIR POUCHED TO DEPT.AND INFO. POTS.  
IMPACT THESE REGULATIONS ON CNADA, WHICH PROHIBITS  
LOG EXPORTS AND SELLS CONSIDERABLY MORE LUMBER TO  
JAPAN THAN U.S., EXPECTED TO BE GRATER THAN ON  
U.S. THUS CONSULTATIONS WITH CANADIAN GOVERNMENT MAY BE  
USEFUL IN ENCOURAGING IT TO TAKE THE LEAD IN SPONSORING  
AMENDMENTS TO THE CODE IF NECESSARY OR HELPFUL IN RELATION TO  
SOLVING THIS PROBLEM.  
HODGSON

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<< END OF DOCUMENT >>

## Message Attributes

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